

Hearing Date and Time: To be obtained by Trustee
Objection Deadline and Time: To be determined

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP) SIPA

OBJECTION TO TRUSTEE'S DETERMINATION OF CLAIM NO. 800003106

The Bank of Korea (the "Customer"), by and through its undersigned counsel, hereby submits this objection (the "Objection") to the Notice of Trustee's Determination of Claim dated December 10, 2009 with respect to the claim submitted by the Customer (the "Determination Notice"), and respectfully represents and sets forth as follows:

1. Customer objects to the Trustee's denial of Customer's proof of claim (Claim No. 800003106) (the "Claim", attached hereto as Exhibit A), relating to transactions that occurred prior to September 19, 2008 (the "Commencement Date").

2. The Claim relates to (i) the forward purchase of certain mortgage-backed securities on a "to be announced" or TBA basis (a "TBA") and (ii) the sale of certain pass through mortgage securities.

3. In a TBA trade, the seller and buyer agree, at the time of the trade, to the following:

- the type of security to be purchased, which will usually be a certain type of asset backed security collateralized by pass through mortgages guaranteed by the Federal National Mortgage Association (“FNMA”), the Federal Home Loan Mortgage Corporation (“FHLMC”), or the Government National Mortgage Association (“GNMA”);
- the coupon or interest rate;
- the face value (the total dollar amount of mortgage-backed securities to be acquired);
- the price; and
- the settlement date, which is typically later than three business days after the trade date.

4. The specific mortgages that will be pooled to provide the collateral underlying the purchased mortgage-backed securities, however, will generally not be known until 48 hours before the settlement date. In other words, the specific mortgages that make up the collateral pool are not known, at trade date but rather are “to be announced.”¹

5. By any measure, the TBA market is substantial and has been characterized as “the most liquid, and consequently most important, secondary market for mortgage loans in the world.” Securities Industry and Financial Markets Association, General Description of the TBA MBS Market, available at http://www.sifma.org/capital_markets/TBA-MBS.shtml. In the year 2007 for example, the average *daily* trading volume of agency, that is FNMA, FHLMC, and

¹ See a report issued by the Staff of the Securities and Exchange Commission, Department of the Treasury and the Office of Federal Housing Enterprise Oversight, which is entitled “A Staff Report of the Task Force on Mortgage-Backed Securities Disclosure” at text at note 35 - 39 (January 2003) (the “Staff Report on MBS Disclosure”), also available at <http://www.sec.gov/news/studies/mortgagebacked.htm#exec>.

GNMA, mortgage-backed securities was \$320.1 billion,² with much of this volume resulting from TBA trades. See generally Frank J. Fabozzi, The Handbook of Mortgage-Backed Securities (6th ed. 2005).

NET AMOUNT OWING TO CUSTOMER: \$610,017.68

6. The Customer's Claim relates to its purchase from, and sale to, the Debtor ("LBI") of TBAs and pass through mortgage securities (the "Securities"), as follows:

Description	CUSIP	Buy/Sell	Trade Date	Settlement Date	Face Value	Net Price
FHLMC TBA	02R0506A3	Bought	09/03/08	10/14/08	\$2,200,000.00	\$2,219,593.75
FNMA TBA	01F0526A5	Bought	09/05/08	10/14/08	\$1,600,000.00	\$1,591,500.00
FHLMC TBA	02R0506A4	Bought	09/04/08	10/14/08	\$38,000,000.00	\$36,788,750.00
FNMA Pool 991184	31415WCV3	Sold	09/05/08	09/11/08	\$483,056.00	\$482,416.00

Attached to the Claim are trade confirmations transmitted by Depository Trust Company on behalf of LBI that evidence the purchases of the TBAs (collectively, the "TBA Purchase Transactions") and the sale of the pass through mortgage securities (the "Pass Through Sale Transaction") between LBI and Customer's investment adviser. Also, attached to the Claim are screen shots that were printed by Customer's adviser and trade tickets from the adviser's internal records that reflect trade information and the allocation of the TBA Purchase Transactions and Pass Through Sale Transaction among the accounts of the adviser's clients, including the Customer, whose account is designated as account number 2374W. LBI acted as a dealer in the TBA Purchase Transactions and Pass Through Sale Transaction.

² Written Testimony of Thomas Hamilton, The Securities Industry and Financial Markets Association, before the House Committee on Financial Services, May 22, 2008, available at <http://www.sifma.org/legislative/testimony/pdf/Hamilton-052208.pdf>.

7. Acting again through its investment adviser, the Customer entered into a TBA trade through which it sold \$11,960,000 in face value of Securities with CUSIP number 02R0506A4 to LBI as dealer on September 10, 2008, at a price of \$11,836,662.50 (the “TBA Sale Transaction”). Attached to the Claim is a trade confirmation transmitted by DTC on behalf of LBI that evidences the TBA Sale Transaction between LBI and Customer. Also, attached to the Claim is a screen shot that was printed by Customer’s adviser and a trade ticket from the internal records that reflects trade information and the allocation of the TBA Sale Transaction among the adviser’s clients, including the Customer. As with the TBA Purchase Transactions and Pass Through Sale Transaction, the adviser’s allocations to the Customer under the TBA Sale Transaction are represented by account number 2374W. LBI acted as a dealer in the TBA Sale Transaction.

8. Acting again through its investment adviser, the Customer terminated its remaining TBA Purchase Transactions and, following Debtor’s failure to accept timely delivery from Customer of the pass through mortgage securities in settlement of Customer’s sale of such Securities through Debtor, Customer also terminated the Pass Through Sale Transaction and entered into a replacement trade through which it purchased, or sold, the same Securities from other dealers, as follows (collectively, the “Replacement Transactions”):

Description	CUSIP	Buy/Sell	Dealer	Trade Date	Face Value	Net Price
FHLMC TBA	02R0506A3	Bought	JP Morgan Securities, Inc.	09/26/08	\$2,200,000	\$2,235,750.00
FNMA TBA	01F0526A5	Bought	Greenwich Capital Markets, Inc.	09/26/08	\$1,600,000	\$1,605,000.00
FHLMC TBA	02R0506A4	Bought	Goldman Sachs & Co. (USA)	09/26/08	\$2,210,000	\$2,166,490.63
FHLMC TBA	02R0506A4	Bought	JP Morgan Securities, Inc.	09/26/08	\$23,830,000	\$23,360,846.00
FNMA Pool 991184	31415WCV3	Sold	Goldman Sachs & Co. (USA)	10/15/08	\$483,056	\$472,456.21

Attached to the Claim are trade confirmations transmitted by Depository Trust Company on behalf of JP Morgan Securities, Inc., Greenwich Capital Markets, Inc., and Goldman Sachs & Co. (USA) that evidence the Replacement Transactions between such dealers and Customer's investment adviser. Also, attached to the Claim are screen shots that were printed by Customer's adviser and trade tickets from the adviser's internal records that reflect trade information and the allocation of the Replacement Transactions among the accounts of the adviser's clients, including the Customer. As with the TBA Purchase Transactions and Pass Through Sale Transaction, the adviser's allocations to the Customer under the Replacement Transactions are represented by account number 2374W.

9. As a result of the TBA Sale Transaction and the resulting offsetting purchase and sale, each of which occurred prior to the Commencement Date, through Debtor of the Securities with CUSIP number 02R0506A4, the Customer closed out part of its position in such Securities at a profit of \$257,887.50. This amount is the difference between the amount owed by Customer to LBI with respect to the Customer's purchase of such Securities from LBI

(\$11,578,775), and the amount owed by LBI with respect to LBI's re-purchase of the Securities from Customer (\$11,836,662.50).

10. As a result of the Replacement Transactions and the resulting offsetting purchases of the Securities with CUSIP numbers 02R0606A3, 01F0526A5, 02R0506A4 and 31415WCV3, the Customer replaced its positions in the Securities at losses of \$16,156.25, \$13,500.00, \$317,361.63 and \$5,111.43 respectively (which, in the case of Securities with CUSIP number 31415WCV3 includes the effect of certain principal and interest payments) or an aggregate loss on such Securities of \$352,129.31.

11. The TBA Sale Transaction and the Replacement Transactions resulted in a net payable from LBI to the Customer of \$610,017.68 (the "Claimed Amount"). This amount is the sum of the amounts owed by LBI to the Customer with respect to the TBA Sale Transaction and the Replacement Transactions.

12. Consistent with the bar date notice filed by the Trustee in this SIPA proceeding, the Customer submitted the Claim in the amount of \$610,017.68 on January 30, 2009.

13. Among other things, the Claim reserved the Customer's right to interest on the amount of its claim on and after the Commencement Date until paid in full and its contingent unliquidated claims against LBI (i.e., Customer's expenses and other costs resulting from LBI's failure to complete the transactions in question, that are not presently ascertainable).

14. On December 10, 2009, the Trustee sent the Determination Notice denying the Customer's Claim for customer treatment pursuant to the Securities Investors Protection Act of 1970, as amended ("SIPA"), and noting that the Customer's Claim was not "eligible to share from the fund of customer property or SIPA cash advances." Attached hereto as Exhibit B is a copy of the Determination Notice.

15. The Customer objects to the above determination and the denial of its Claim as a customer claim and, accordingly, is timely filing this objection thereto.

ARGUMENT

16. SIPA provides for customer status to the extent a particular claim meets the requirements of Section 78lll(2) of the Act. For purposes of SIPA, a claimant is eligible to share in the fund of customer property to the extent that its claim is defined as that of a “customer.”

17. Section 78lll(2) of SIPA defines the term “customer” to include:

[A]ny person (including any person with whom the debtor deals as principal or agent) who has a claim on account of securities received, acquired, or held by the debtor in the ordinary course of its business as a broker or dealer from or for the securities account of such person for safekeeping, with a view to sale, to cover consummated sales, pursuant to purchases, as collateral, security, or for purposes of effecting transfer.

15 U.S.C. § 78lll(2). Moreover, Section 78lll(2) specifies that “[t]he term ‘customer’ includes any person who has a claim against the debtor arising out of sales or conversions of such securities . . .”

18. A plain reading of the statute makes clear that the Securities underlying the Customer’s Claim are securities within the meaning of Section 78lll(14) of SIPA. See In re SSIW Corp., 7 B.R. 735, 737 (Bankr. S.D.N.Y. 1980) (holding that GNMA pass-through securities “clearly fall within the definition of “securities” in the [Bankruptcy Reform Act of 1978] since they partake of the essential ingredients of a note, bond or debenture.”); see also Abrams v. Oppenheimer Gov’t Sec., Inc., 737 F.2d 582, 586-87 (7th Cir. 1984) (noting that “GNMA certificates are considered securities . . . pursuant to Section 2(1) of the 1933 Act [the Securities Exchange Act of 1933] and Section 3(a)(10) of the 1934 Act [the Securities Exchange Act of 1934], being a note . . . bond, [or] debenture. . .”).

19. Moreover, there is nothing under the SIPA definition of “security” that would suggest any reason these instruments would not be treated as securities under SIPA. The term “security” is defined broadly at Section 78lll(14) of SIPA to mean:

[A]ny note, stock, treasury stock, bond, debenture, evidence of indebtedness, any collateral trust certificate, preorganization certificate or subscription, transferable share, . . . , certificate of deposit, certificate of deposit for a security, or any security future as that term is defined in section 78c(a)(55)(A) of this title, . . . any put, call, straddle, option, or privilege on any security, or group or index of securities (including any interest therein or based on the value thereof), . . . any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase or sell any of the foregoing, and any other instrument commonly known as a security.

15 U.S.C. § 78lll(14).

20. Further, there is no doubt that LBI was acting in the “ordinary course of its business” as a “broker or dealer” from or for the “securities account” of the Customer.

21. Thus, while the SIPC trustee did not provide a rationale for his finding that the Claim was not eligible for customer protection, the Determination Notice was presumably based on the Trustee’s legal conclusion that (i) assets underlying the Claim were *not* “received, acquired or held” for the Customer within the meaning of Section 78lll(2) or (ii) that the Customer is not a “customer” within the meaning of Section 78lll(2).

22. Such a reading of the definition of customer is inconsistent with the statute, with the intent of Congress, with prior case law, and with prior positions of SIPC.

23. As the Second Circuit has observed, in the legislative history of SIPA the term “‘investors’ is used synonymously with ‘customers,’ indicating that, in the eyes of Congress, the Act would protect capital markets by instilling confidence in securities traders.” SIPC v. Morgan, Kennedy & Co., 533 F.2d 1314, 1317 (2d Cir.), cert. denied sub nom., Trustees

of Reading Body Works, Inc. v. Sec. Investor Prot. Corp., 426 U.S. 936 (1976). The purpose of SIPA is “protection for investors if the broker-dealer with whom they are doing business encounters financial troubles” H.R. Rep. No. 91-1613, at 1 (1970); see also S. Rep. No. 91-1218, at 4 (1970). Similarly, as noted by the Bankruptcy Court for the Southern District of New York, the “sole legislative statement addressed” to the definition of “customer” in the Bankruptcy Reform Act of 1978³ “reveals that such descriptive term comprehends ‘anybody that interacts with the debtor in a capacity that concerns security transactions.’” SSIW Corp., 7 B.R. at 738; see also Cohen v. Army Moral Support Fund (In re Bevill, Bresler & Schulman Asset Mgmt. Corp.), 67 B.R. 557, 602 (D.N.J. 1986) (“SIPA was intended to protect *investors* who entered an established securities market by means of the services provided by a broker-dealer and who subsequently incurred losses as a result of the broker-dealer’s failure.” (citing H.R. Rep. No. 91-1613, (1970), as reprinted in, 3 U.S.C.C.A.N. 5255 (1970))).

24. Against this background, the intent of Congress in defining “customer” as a person as to whom assets are “received, acquired, or held” was not to limit customers by excluding parties with unsettled trades, but merely to describe the condition that would cause an investor, interacting with a broker-dealer as such, to lose money or investments because of the insolvency of the broker-dealer. The Customer is clearly an investor in such a position.

25. The Customer made an investment in securities through LBI as a dealer, which investment was reflected on LBI’s books and records, as is plainly indicated by the trade confirmation transmitted by Depository Trust Company on behalf of LBI and attached to the

³ Notably, the definition of “customer” in the Bankruptcy Reform Act of 1978 is substantially similar to Section 7811(2) of SIPA.

Claim, which evidences this transaction between LBI and Customer's investment adviser. The Customer will lose the value of its investment if the Claim is not respected as a customer claim.

26. As courts have typically framed the issue, a "customer" is someone who has "entrusted" securities or cash with the debtor in connection with securities transactions and loses such property due to the debtor's insolvency. See, e.g., SIPC v. Executive Sec. Corp., 556 F.2d 98, 99 (2d Cir. 1977). Here the Customer has entrusted its investments in securities to LBI because it transacted with LBI as a dealer to access the securities market and acquire its interest in the Securities and was dependent on the solvency of LBI to receive the benefit of its securities transactions. The Customer's securities investment was an asset of value that the Customer entrusted to LBI and which was, in fact, under the control of LBI, as is demonstrated by the fact that the Customer was able to direct LBI to close out the investment by entering into an offsetting TBA trade to sell the Securities, thereby converting the securities position on LBI's books to a cash position.

27. Nor was the Customer a mere "creditor" of LBI. Like any purchase of securities, the Securities purchased by the Customer exposed the Customer to possible gain or loss from market movements in the purchased Securities, which reflected the larger fixed income credit markets and did not, as would be the case with a note, bond or other security issued by LBI, rise or fall in value based upon the creditworthiness of LBI. In the final analysis, the Customer's position at LBI with respect to the Securities cannot be distinguished from that of any other customer whose securities were held in an account at LBI.

28. Both precedent and prior SIPC positions indicate that a claimant may be a "customer" with respect to unsettled positions, even where the customer has not delivered any cash or securities to the broker-dealer. For example, in In re Adler Coleman Clearing Corp., 211 B.R. 486, 493 (Bankr. S.D.N.Y. 1997), aff'd sub nom., RCM Capital Mgmt. LLC v. Mishkin (In

re Adler, Coleman Clearing Corp.), 221 B.R. 321 (S.D.N.Y. 1998), SIPC and this Court took the view that a “RVP/DVP” customer was a “customer” for purposes of SIPA. In that case, the debtor, Adler, cleared and settled trades for RCM, an investment adviser with discretionary authority to execute securities transactions with Adler on behalf of its clients. All of RCM's security transactions cleared and settled through Adler were RVP/DVP, meaning that on settlement, RCM and Adler would arrange for the cash or securities obtained by Adler to be transferred to RCM's bank custodian versus payment (on a purchase) or delivery of the relevant securities (on a sale) by RCM through the bank custodian. Prior to the filing date, on behalf of its customers, RCM purchased certain shares with a scheduled settlement date four days after the filing date. The SIPC trustee deemed RCM to be a customer of Adler with a net equity claim rather than open securities contracts. This Court agreed with this proposition, stating flatly that “RCM, on behalf of its customers, was Adler Coleman's customer” and that “[u]pon commencement of the SIPA liquidation proceeding, RCM no longer had a right to the securities in its account, but rather RCM had a claim against a fund of customer property, including the securities in its accounts, to be distributed to customers based upon their respective net equity.” Id. at 493, 496; see also In re Investors Ctr., Inc., 129 B.R. 339, 350-51 (Bankr. E.D.N.Y. 1991) (claimants treated as customers where market maker purported to execute trades for customer accounts that had been moved to another broker-dealer).

29. The courts have consistently held that a claimant's SIPA rights with respect to trades executed or cleared by a broker-dealer are fixed on trade date rather than settlement date. See, e.g., Murray v. McGraw (In re Bell & Beckwith), 821 F.2d 333 (6th Cir. 1987); SIPC v. Morgan, Kennedy & Co., No. 73 CV 1057, 1977 U.S. Dist. LEXIS 17382 (S.D.N.Y. Feb. 14, 1977); In re Investors Ctr., 129 B.R. at 339; SEC v. Aberdeen Sec. Co., 480 F.2d 1121 (3d Cir. 1973), cert. denied sub nom., Seligsohn v. SEC, 414 U.S. 1111 (1973). As

stated by the Sixth Circuit in Bell & Beckwith, “[t]he concern of the drafters [of SIPA] was in part to assure customers that their rights in the debtor’s estate would be fixed and easily discoverable as of the filing date.” 821 F.2d at 338. Moreover, the court reasoned, the customer protection function of SIPA dictates that trades ordered before the filing date be either completed or closed-out in order to preserve, to the extent possible, the benefit of the bargains made.

30. Indeed, because customer positions are fungible and held in bulk in accordance with Rule 15c3-3 under the Securities Exchange Act of 1934, it would be difficult or impossible to determine where the security in question is actually delivered to the broker-dealer and therefore can safely be said to have been “received, acquired, or held” by the broker-dealer. In light of how positions are traded and handled, any such distinction is largely, if not entirely, without substance. Moreover, as proceeds of the TBA Sale Transaction would be a free credit in Customer’s account at LBI, in accordance with Rule 15c3-3, LBI should have treated this amount as a credit to LBI’s special reserve bank account for the exclusive benefit of its customers. This would have the effect of increasing the amount deposited in such reserve formula, which amounts are held for the protection of customers and available to the SIPC Trustee for customer claims under SIPA.

31. Treating the Customer as a customer is also consistent with the expectations of the parties. There was no notice provided in the documentation that was supplied to the Customer, or anywhere else in the standard documentation related to TBAs, that informed Customer that it would not be a “customer” for purposes of SIPA or otherwise. This stands in marked contrast to other markets, such as the repurchase market and securities lending, where the industry standard master agreements provide that the counterparty is not a “customer” for purposes of SIPA—and in fact the Securities and Exchange Commission requires such disclosure. It is difficult to see why the Securities and Exchange Commission would not require

a similar warning to investors buying TBAs that they were not “customers” under SIPA, if that were in fact the case.

32. For all of these reasons, LBI should be deemed to have “received, acquired, or held” the Customer’s position in the Securities for purposes of Section 78lll(2) of SIPA. It follows directly from the foregoing that when the Customer subsequently sold the Securities back to LBI in the TBA Sale Transaction, it established a “claim against the debtor arising out of sales or conversion of such securities” for purposes of SIPA. Accordingly, the Claim should be allowed as a customer claim for purposes of SIPA.

NO PRIOR RELIEF

33. The relief requested by the Customer in this Objection has not been sought previously in this or any other court.

RESERVATION OF RIGHTS

34. The Customer reserves all rights with respect to the claims asserted herein. The Customer further reserves all rights to file an amended objection and/or reply.

Dated: New York, NY
January 8, 2010

CADWALADER, WICKERSHAM & TAFT LLP

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EXHIBIT A

ANNEX TO CUSTOMER CLAIM FORM

LEHMAN BROTHERS INC.

FOR

ACCOUNT NAME: The Bank of Korea - 2374W

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PART I – BACKGROUND INFORMATION

This document is an annex (the “Annex”) to the Customer Claim Form (the “Customer Claim Form”) of The Bank of Korea (the “Customer”) that is being filed with James W. Giddens (the “Trustee”) in his capacity, and pursuant to his appointment in connection with the proceeding described in the immediately following paragraph, as the trustee for the liquidation of the business of Lehman Brothers Inc. (“LBI”).

As described on the Customer Claim Form to which this Annex relates and as set forth in further detail herein, Customer is the holder of claims (the “Claims”) against LBI that arose prior to the issuance on September 19, 2008 of an order (the “Order”) by the United States District Court for the Southern District of New York granting the application of the Securities Investor Protection Corporation (“SIPC”) for issuance of a protective decree adjudicating that the customers of LBI are in need of the protection afforded by the Securities Investor Protection Act of 1970, as amended (“SIPA”). The liquidation has been referred to and is now being administered under the auspices of United States Bankruptcy Judge James M. Peck.

THIS ANNEX CONSTITUTES A PART OF THE CUSTOMER CLAIM FORM AND IS INCORPORATED THEREIN BY REFERENCE. Copies of certain supporting documents are attached hereto and are also incorporated by reference to the Customer Claim Form.

PART II – INFORMATION RELATING TO ITEM 1(a) OF THE CUSTOMER CLAIM FORM

As reflected in response to *Item 1(a)* of the accompanying Customer Claim Form, and as reflected more fully in this Part II below, LBI owes Customer not less than **\$610,017.68**. Such claim is in addition to any additional claim that Customer may have for interest on the amount of its claim on and after September 19, 2008 and until paid in full plus contingent unliquidated

claims, *i.e.*, Customer's expenses and other costs resulting from LBI's failure to complete the transactions in question, that are not presently ascertainable.

Without limiting the generality of the foregoing and as described more fully below, the amounts reflected in response to Item 1(a) relate to certain purchase or sales of securities that were entered into prior to the date of the Order but remained outstanding as of the date of the Order (the "Outstanding Transactions"). Each of the Outstanding Transactions is described below together with any offsetting purchases and sales, or sales and purchases, with LBI ("Paired Transactions"), and, in accordance with the Protocol Regarding Lehman Brothers Inc. Outstanding Securities and Commodities Transactions, dated September 26, 2008, any transactions undertaken to terminate, replace, or otherwise close out any outstanding transaction with LBI (a "Replacement Transaction").

Outstanding Transactions. Customer entered into four Outstanding Transactions with LBI, which is described in more detail below.

(a) CUSIP 02R0506A3

(i) On September 3, 2008, the Customer bought TBAs with CUSIP number 02R0506A3 having a face value of \$2,200,000 at a net price of \$2,219,593.75 for settlement on October 14, 2008. On the same day the Claimant bought additional TBAs with the same CUSIP number with the same face value at the same net price. Attached hereto as Exhibit I is the trade confirmation generated by DTC that evidences the trade between LBI and Customer's investment adviser. Also, attached at Exhibit I is a screen shot that was printed by Customer's adviser and a trade ticket from the adviser's Fixed Income Trading System, which reflects trade information and the allocation of that trade among the adviser's clients, including the Customer. Note that the adviser's allocations to the Customer are represented by account number 2374W.

(ii) On September 26, 2008 the Customer entered into a replacement trade with JP Morgan Securities Inc. for securities with the same CUSIP number having a face value equal to the original transaction described above at a net price of \$2,235,750. Attached hereto at Exhibit II is the termination notice as delivered to LBI and the Trustee dated September 29, 2008, with the replacement trade indicated on Schedule A thereto (with all other customer information being redacted). Also attached at Exhibit II is a trade confirmation generated by DTC that evidences the trade between the Customer and JP Morgan Securities Inc.

(iii) LBI owes Customer \$16,156.25 in connection with the Outstanding Transaction related to CUSIP 02R0506A3, which represents the difference between the purchase price on the Replacement Transaction and the original purchase price on the Outstanding Transaction.

(b) CUSIP 01F0526A5

(i) On September 5, 2008, the Customer bought TBAs with CUSIP number 01F0526A5 having a face value of \$1,600,000 at a net price of \$1,591,500 for settlement on October 14, 2008. Attached hereto as Exhibit III is the trade confirmation generated

by DTC evidencing the trade between LBI and Customer's investment adviser. Also, attached at Exhibit III is a screen shot printed by Customer's adviser from the adviser's Fixed Income Trading System, which reflects trade information and the allocation of trades among the adviser's clients, including the Customer. Note that the adviser's allocations to the Customer are represented by account number 2374W.

(ii) On September 26, 2008 the Customer entered into a replacement trade with Greenwich Capital Markets for securities with the same CUSIP number and the same face value at a net price of \$1,605,000. Attached hereto at Exhibit IV is the termination notice as delivered to LBI and the Trustee dated September 29, 2008, with the replacement trade indicated on Schedule A thereto (with all other customer information being redacted). Also attached at Exhibit IV is a trade confirmation generated by DTC evidencing the trades between the Customer and Greenwich Capital Markets.

(iii) LBI owes Customer \$13,500 in connection with the Outstanding Transaction related to CUSIP 01F0526A5, which represents the difference between the purchase price on the Replacement Transaction and the original purchase price on the Outstanding Transaction.

(c) CUSIP 02R0506A4

(i) On September 4, 2008, the Customer bought TBAs with CUSIP number 02R0506A4 having a face value of \$38,000,000 at a net price of \$36,788,750 for settlement on October 14, 2008. Attached hereto as Exhibit V is the trade confirmation generated by DTC that evidences the trade between LBI and Customer's investment adviser. Also, attached at Exhibit V is a screen shot that was printed by Customer's adviser and a trade ticket from the adviser's Fixed Income Trading System, which reflects trade information and the allocation of that trade among the adviser's clients, including the Customer. Note that the adviser's allocations to the Customer are represented by account number 2374W.

(ii) On September 10, 2008 the Customer the Customer sold TBAs with the same CUSIP number with a face value of \$11,960,000 at a net price of \$11,836,662.50. Attached hereto as Exhibit VI is a trade confirmation generated by DTC that evidences the trade between LBI and Customer's investment adviser. Also, attached at Exhibit VI is a screen shot that was printed by Customer's adviser and a trade ticket from the adviser's Fixed Income Trading System, which reflects trade information and the allocation of that trade among the adviser's clients, including the Customer. Note that the adviser's allocations to the Customer are represented by account number 2374W. As a result of this partially offsetting trade, Claimant was due TBAs with CUSIP number 02R0506A4 in the aggregate face amount of \$26,040,000.

(iii) On September 26, 2008 the Customer entered into a replacement trade with Goldman Sachs & Co. (USA) for securities with the same CUSIP number and having a face value of \$2,210,000 at a net price of \$2,166,490.63. Attached hereto at Exhibit VII is the termination notice as delivered to LBI and the Trustee dated September 29, 2008, with

the replacement trade indicated on Schedule A thereto (with all other customer information being redacted). Also attached at Exhibit VII is a trade confirmation generated by DTC evidencing the trades between the Customer and Goldman Sachs & Co. (USA).

(iv) On September 26, 2008 the Customer entered into a replacement trade with JP Morgan Securities, Inc. for securities with the same CUSIP number and having a face value of \$23,830,000 at a net price of \$23,360,846. Attached hereto at Exhibit VIII is the termination notice as delivered to LBI and the Trustee dated September 29, 2008, with the replacement trade indicated on Schedule A thereto (with all other customer information being redacted). Also attached at Exhibit VIII is a trade confirmation generated by DTC evidencing the trades between the Customer and JP Morgan Securities, Inc..

(v) LBI owes Customer \$575,249.13 in connection with the Outstanding Transaction related to CUSIP 02R0506A4, which represents of the unpaid difference between the aggregate amount owed after the partially offsetting trade and the purchase price of the replacement transactions.

(d) CUSIP 31415WCV3.

(i) On September 5, 2008, the Customer sold FNMA pool 991184 with CUSIP number 31415WCV3 having a face value of \$483,056 at a net price of \$482,416 for settlement on September 11, 2008. Attached hereto as Exhibit IX is a trade confirmation generated by DTC that evidences the trade between LBI and Customer's investment adviser. Also, attached at Exhibit IX is a trade history report that was printed by Customer's adviser, which reflects trade information and the allocation of that trade among the adviser's clients, including the Customer. Note that the adviser's allocations to the Customer are represented by account number 2374W.

(ii) On October 15, 2008 the Customer entered into a replacement trade with Goldman Sachs & Co. (USA) with a face value of \$483,056 at a net price of \$472,456.21 for settlement on October 20, 2008. Attached hereto at Exhibit X is the termination notice as delivered to LBI and the Trustee dated October 15, 2008, with the replacement trade indicated on Schedule B thereto (with all other customer information being redacted). Also attached at Exhibit X is a trade confirmation generated by DTC that evidences the trade between the Customer and Goldman Sachs & Co. (USA) and a trade history report that was printed by Customer's adviser, which reflects trade information and the allocation of that trade among the adviser's clients, including the Customer. Note that the adviser's allocations to the Customer are represented by account number 2374W.

(iii) LBI owes Customer \$5,111.43 in connection with the Outstanding Transaction related to CUSIP 31415WCV3, which represents the difference between the purchase price on the replacement transaction and the original purchase price.

Total Amount Owing to Customer. LBI owes Customer **\$610,017.68** in connection with the Outstanding Transactions described above

PART III – MISCELLANEOUS

1. Claims for Interest, Fees, Costs, etc.

Without limiting the foregoing, the Customer reserves all of its rights to assert claims for interest, fees, costs, charges, expenses, disbursements, liabilities, losses, damages, indemnification, reimbursement and/or contribution, and other amounts, including, without limitation, legal fees and expenses (including, without limitation, in connection with the preparation, filing and prosecution of the Customer Claim Form), that exist or arise as of or after the date of the filing of the Customer Claim Form, whether prior to, on or subsequent to the Order, in the case to the extent and/or as may be permitted, provided and/or contemplated in the supporting documentation and under applicable law.

2. Secured Claim

The Claims of the Customer against LBI for amounts due and owing as of the Order are unsecured claims to the extent of the deficiency following the exercise by Customer of the rights of setoff that they may have against LBI. The Customer hereby asserts the and all rights of setoff it may have in respect of the Claims, including, without limitation, the right to setoff its Claims against the claims that LBI (or the successor, assignee or person claiming through LBI) may assert against them.

3. Credits

The amount of all payments on the Claims has been credited and deducted for purposes of making the Customer Claim Form.

4. Reservation of Rights

In filing the Customer Claim Form, the Customer expressly reserves all rights and causes of action, including, without limitation, contingent or unliquidated rights that it may have against LBI. This description and classification of claims by the Customer is not a concession or admission as to the correct characterization or treatment of the such claims or a waiver of the rights of such Customer. Furthermore, the Customer expressly reserves all rights to amend, modify and/or supplement the Customer Claim Form in the respect, including, without limitation, with respect to the filing of an amended Customer Claim Form for the purpose of fixing and liquidating the contingent or unliquidated claim set forth herein, or to file additional proofs of claim for additional claims, including, without limitation, claims for interest, fees and related expenses (including, without limitation, attorneys' fees) that are not ascertainable at this time.

The Customer Claim Form is filed without prejudice to the filing by the Customer of additional proofs of claim or requests for payment with respect to the other indebtedness, liability or

Annex to Customer Claim Form/Lehman Brothers Inc.

Account Name: The Bank of Korea - 2374W

obligation of LBI. A Customer does not, by this Claim or the amendment or other action, waive the rights with respect to the scheduled claim.

By filing the Customer Claim Form, the Customer does not waive the rights under the Bankruptcy Code or SIPA and any rules thereunder.

In executing and filing this claim, the Customer does not submit to the jurisdiction of the Bankruptcy Court for the purpose other than with respect to this claim against LBI and does not waive or release: (a) rights and remedies against the other person or entity that may be liable for all or part of the Claims set forth herein, whether an affiliate or subsidiary of LBI, an assignee, guarantor or otherwise, (b) the obligation owed to it, or the right to the security that may be determined to be held by the one of them or for its or their benefit, (c) the past, present or future defaults (or events of default) by LBI or others, or (d) the right to the subordination, in favor of the Customer, of indebtedness or liens held by other creditors of LBI. The filing of the Customer Claim Form is not, and shall not be construed as, an election of remedies or limitation of rights or remedies.

Nothing contained in the Customer Claim Form nor the subsequent appearance, pleading, claim or suit is intended to be a waiver or release of: (i) the right of the Customer to have final orders in non-core matters entered only after de novo review by a district court judge; (ii) the right of the Customer to a jury trial in the proceeding so triable herein or, in the case, the controversy or proceeding related hereto; (iii) the right of the Customer to have the reference withdrawn by the United States District Court for the Southern District of New York in the matter subject to mandatory or discretionary withdrawal; (iv) the right of the Customer to have the unliquidated portions of its claim determined by applicable state courts; or (v) the other rights, claims, actions, defenses, setoffs or recoupments to which the Customer is or may be entitled under agreements, documents or instruments, in law or equity, all of which rights, claims, actions, defenses, setoffs and recoupments are expressly reserved.

PART IV – INFORMATION RELATED TO AUTHORITY OF SIGNATORY

The Customer Claim Form has been submitted on Customer's behalf by Cadwalader, Wickersham & Taft LLP, attorney for Customer's investment adviser. Customer has given adviser the discretionary authority to manage and control the assets of the Customer covered by the Customer Claim Form, which authority includes the power to acquire and dispose of such assets and to act as Customer's agent and attorney-in-fact in connection therewith and to execute waivers, consents and other instruments with respect to such assets and to endorse, transfer or deliver such assets.

Exhibit I

U.S. DOLLAR

DTC INELIGIBLE CONFIRMATION MSAM PAGE 10936 TRADE NO 0000000000 INTL ID 93E69H0 SUBTER ACCT
TO 73215 MORGAN STANLEY INVEST MGMT FI TRADI 01/02/09 SEC CODE 02R0606A3 REL REF TRD TYPE 01
FROM 00636 LEHMAN BROTHERS INC. SEC NAME POSSIBLE DUP
DTC BKR 0636 LEHMAN BROTHERS INC.
B/D INT ACCT AGT INT ACCT AGT ID ROLE MKT ACCT TYPE SIDE OPT EXP DATE REC DATE EFF DATE
1157290 502404 93034 PRIN OTH OTHER BUY ISSUE DATE DEL DATE BEN TIME
CUSIP/DES 02R0606A3 TRADE DATE 09/03/08 SETTLEMENT 10/14/08 POOL NO MSG ID LOT ID
GOLD PC 30 YEAR - FBLMC 00/00/00 6.0000 T0810
ORDER NO: STAT: IP CONF 09/03 CANC 10/16
CURR FACE 0.00000 YIELD TERM 0
ORG TRD PAR 2200000.00 GOOD DEL MM 0
CONF # 93E69H2-4156 FIRST INTERESTED PARTY: 00000 NO OF POOLS 0 NO OF DAYS ACCR INT 0
QTY 2,200,000 SERVICE TYPE OPTION TYPE
PRICE 100.890625 INT RATE 0.00000 MATURITY DATE
NET PRICE 0.000000
PRINC 2,219,593.75 SPECS 1
RG/SHF 0.00 SPECS 2
INT 0.00 SECOND INTERESTED PARTY: MBS00000 SPECS 3
TAXES 0.00 SPECS 4
COM4 0.00 SPECS 5
OTHER 0.00 SPECS 6
INT AMT 2,219,593.75 SPECS 7
CONTROL 103664745 AFFIRM BY 11:30 PM EST 10/16/08 SPECS 8
SPECS 9
SPECS 10
SPECS 11
SPECS 12
SPECS 13
SPECS 14
SPECS 15
SPECS 16

Reference #: 990159

Type: Buy Cuslp: 02R0606A3 Symbol: ZGB9931A Execution: 9/3/2008 3:46 PM
 ISIN: Sedol: ADAMME Last Update: 9/3/2008 3:47 PM

Name: FHLMC TBA 6.000 01OCT2038 FWD 14OCT2008 Status: CONFIRMED

Trade Date: 9/3/2008 Settle Date: 10/14/2008 Accrued Days: 0 Delivery Date: N
 Broker: Lehman Brothers, USA VCT Reason: Best Execution ETS: Trade Web Turnover: 6

Current Face: 52,700,000 New Underwriting: 10F3: N Implied Credit: 6
 Original: 52,700,000 Currency: USD Yield: 3.81
 Price: 100-28 1/2 FX USD/USD: 1.0 Spread: 4.26
 Factor: 1.0000000000 Settle Curr: USD OAS: F2 Return:
 Commission: Swap Action: 1.0 Benchmark: Trd WebID: 388

Swap Unwind Fee: Unwind Fee Settle Date: Unwind Fee Currency:

Comment:

Ops Comment:

Inv. Group	Mnemonic	Port ID	Post To Port	Original Face	Current Face	Principal (USD)	Interest	Commission	SEC Fee	Net	Port %	IRS Effect	New Cash %
CA	FP	1793W	1793W	52,700,000	52,700,000	11,602,421.88	0.00	0.00	0.00	11,602,421.88	0.66	0.03	-0.71
CA	NIF	1793W	1793W	908,015.63	908,015.63	908,015.63	0.00	0.00	0.00	908,015.63	0.70	0.03	1.26
CA	MFI	1793W	1793W	6,053,437.50	6,053,437.50	6,053,437.50	0.00	0.00	0.00	6,053,437.50	1.08	0.04	2.71
CA	PRN	1793W	1793W	353,117.19	353,117.19	353,117.19	0.00	0.00	0.00	353,117.19	1.26	0.05	-0.11
CA	VCP	1793W	1793W	1,816,031.25	1,816,031.25	1,816,031.25	0.00	0.00	0.00	1,816,031.25	0.67	0.03	2.66
CO	NWD	1793W	1793W	2,623,156.25	2,623,156.25	2,623,156.25	0.00	0.00	0.00	2,623,156.25	1.45	0.08	-0.59
CY	AMF	1793W	1793W	10,593,515.62	10,593,515.62	10,593,515.62	0.00	0.00	0.00	10,593,515.62	0.95	0.04	-0.07
J	CAK	1793W	1793W	80,712.50	80,712.50	80,712.50	0.00	0.00	0.00	80,712.50	0.03	0.00	-2.76
JB	HTD	1793W	1793W	60,534.38	60,534.38	60,534.38	0.00	0.00	0.00	60,534.38	0.03	0.00	-0.24
JB	HFP	1793W	1793W	302,671.87	302,671.87	302,671.87	0.00	0.00	0.00	302,671.87	0.03	0.00	0.88
M	FST	1793W	1793W	655,789.08	655,789.08	655,789.08	0.00	0.00	0.00	655,789.08	0.94	0.02	-8.35
M	BKO	1793W	1793W	2,219,593.75	2,219,593.75	2,219,593.75	0.00	0.00	0.00	2,219,593.75	0.38	0.01	3.54
ZF	KSB	1793W	1793W	14,124,687.50	14,124,687.50	14,124,687.50	0.00	0.00	0.00	14,124,687.50	1.55	0.06	30.46
ZL	WGF	1793W	1793W	1,715,140.63	1,715,140.63	1,715,140.63	0.00	0.00	0.00	1,715,140.63	0.48	0.02	0.00
ZT	HLI	1793W	1793W	60,534.38	60,534.38	60,534.38	0.00	0.00	0.00	60,534.38	0.03	0.00	0.00
				53,169,359.39	53,169,359.39	53,169,359.39	0.00	0.00	0.00	53,169,359.39			

15

TW (BRKDN) (jwitkowski-Morgan Stanley Inv.) TradeWeb W7.03NS

« » Main Markets Lists Blot Book Msg Pmon Pref Admin Window Print Help AXE

myBESTX €0

Trade Account Breakdown

Security: PCGLD 30Yr 6.000 Oct Trade Date: 09/03/08 Company: Morgan Stanley Inv.
 CUSIP: 02R0606A3 Dealer: LEH Settlement: 10/14/08 Customer: Adam Metzger
 Trade#: 388 Quantity: 52,700 Price: 100-28+ Sent

C B/S: BUY Account: (dec) 100.89062500 USD LOOKUP SEND CLEAR

	unt Short	V Percent	QTY	Principal	Accrued	Total	Conf	as
1	1104W	= 11.385	6,000	6,053,437.50		6,053,437.50	Y	
2	1285W	= 3.226	1,700	1,715,140.63		1,715,140.63	Y	
3	1318W	= 0.114	60	60,534.38		60,534.38	Y	
4	1625W	= 0.152	80	80,712.50		80,712.50	Y	
5	1707W	= 0.664	350	353,117.19		353,117.19	Y	
6	1775W	= 4.934	2,600	2,623,156.25		2,623,156.25	Y	
7	1798W	= 0.114	60	60,534.38		60,534.38	Y	
8	1853W	= 1.233	650	655,789.06		655,789.06	Y	
9	2109W	= 0.569	300	302,671.88		302,671.88	Y	
10	2374W	= 4.175	2,200	2,219,593.75		2,219,593.75	Y	
11	2439W	= 3.416	1,800	1,816,031.25		1,816,031.25	Y	
12	898W	= 19.924	10,500	10,593,515.63		10,593,515.63	Y	
		100.000	52,700	53,169,359.41	0	53,169,359.41		

Detail Tran Brkdn Account Msg Brkdn Recap PasteClipboard 1/2 Pg Up Pg Dn

Up
ALL
AXE
On

12

Exhibit II

DTC INELIGIBLE CONFIRMATION MSAM PAGE 5123
TO 73215 MORGAN STANLEY INVEST MGMT FI TRADI 01/02/09
FROM 80218 WS CLEARING INC.
DTC BKR 0187 JP MORGAN SECURITIES INC.
B/D INT ACCT AGT INT ACCT AGT ID ROLE MKT ACCT TYPE SIDE
559527 502404 93034 PRIN OTH CASH BUY
CUSIP/DES 02R0606A3 TRADE DATE 09/26/08 SETTLEMENT 10/14/08
FGCL 6 OCT 08 TBA
ORDER NO: STAT: IP CONF 09/30 CONF 09/30

CONF # T093036376-0 FIRST INTERESTED PARTY: 00000
QTY 2,200,000
PRICE 101.625000
NET-PRICE 101.625000
PRINC 2,235,750.00
RG/SHP 0.00
INT 0.00 SECOND INTERESTED PARTY: GDS000000
TAXES 0.00
COMM 0.00
OTHER 0.00
NT AMT 2,235,750.00
CONTROL # 594783519 AFFIRM BY 7:30 PM EST 09/30/08
U.S. DOLLAR

FORM OF NOTICE OF TERMINATION OF TBA TRADES

September 29, 2008.

Via E-Mail

Lehman Brothers Inc.
Mortgage Trading Desk
Attention: Deirdre Dunn
Jack Fondacaro
E-Mail Address: deirdre.dunn@lehman.com
jack.fondacaro@lehman.com

Hughes Hubbard & Reed LLP
Counsel for the Lehman Brothers Inc. SIPC Trustee
Attention: Maria Termini
E-Mail Address: termini@hugheshubbard.com

Morgan Stanley Investment Management Inc., on behalf of its advisory clients noted in Schedule A, has entered into to-be-announced agency mortgage pass-through trades with Lehman Brothers Inc. ("Lehman") prior to the liquidation filing of Lehman on September 19, 2008, settling in October, November or December 2008 that have not yet settled (each, a "Lehman TBA Trade").

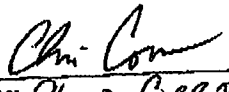
Morgan Stanley Investment Management Inc. hereby gives notice that each Lehman TBA Trade set forth in Schedule A attached hereto is hereby terminated effective today (the "Termination Date"). This notice is effective upon delivery.

If all or a portion of the Lehman TBA Trade is replaced, the termination price of the Lehman TBA Trade is the price at which the replacement trade was executed to replicate the exposure of the terminated Lehman TBA Trade. The trade date for the replacement trade is noted in Schedule A.

The gain or loss on each terminated Lehman TBA Trade shall be calculated based on the difference between the price of each terminated Lehman TBA Trade and the termination price. The completed Schedule A will set forth the gain or loss for each terminated Lehman TBA Trade.

Morgan Stanley Investment Management Inc.

Receipt acknowledged by SIPC Trustee

By: 
Name: Chris Corrado
Title: Executive Director

By: _____
Name:
Title:

Exhibit III

DTC INELIGIBLE CONFIRMATION		MSAM	PAGE	10969	TRADE NO 0000000000	INTL ID 98H4CA0	SUBTER ACCT
TO	73215	MORGAN STANLEY INVEST MGMT FI TRADI	01/02/09	SEC CODE 01F0526A5	REL REF		TRD TYPE 01
FROM	00636	LEHMAN BROTHERS INC.		SEC NAME			POSSIBLE DUP
DTC BKR	0636	LEHMAN BROTHERS INC.					
B/D INT ACCT	AGT INT ACCT	AGT ID	ROLE	MKT ACCT TYPE	SIDE	OPT EXP DATE	REC DATE
1157290	502404	93034	PRIN	OTH OTHER	BUY	ISSUE DATE	DEL DATE
CUSIP/DES	01F0526A5	TRADE DATE 09/05/08	SETTLEMENT 10/14/08	POOL NO		MSG ID	LOT ID
FIRMA SF 30 YEAR		00/00/00	5.5000 TOB10				
ORDER NO:	STAT: IF	CONF 09/08	CANC 10/16	CURR FACE	0.00000	YIELD	TERM 0
				ORG TRD PAR	1600000.00	GOOD DEL MM	0
CONF #	98H4CA2-2155	FIRST INTERESTED PARTY:	00000	NO OF POOLS	0	NO OF DAYS ACCR INT	0
QTY	1,600,000			SERVICE TYPE		OPTION TYPE	
PRICE	99.468750			INT RATE	0.00000	MATURITY DATE	
NET PRICE	0.000000			SPECS 1		SPECS 9	
PRINC	1,591,500.00			SPECS 2		SPECS 10	
RG/SHF	0.00			SPECS 3		SPECS 11	
INT	0.00	SECOND INTERESTED PARTY: MBS000000		SPECS 4		SPECS 12	
TAXES	0.00			SPECS 5		SPECS 13	
COMI	0.00			SPECS 6		SPECS 14	
OTHER	0.00			SPECS 7		SPECS 15	
NT AMT	1,591,500.00			SPECS 8		SPECS 16	
CONTROL #	111181298	AFFIRM BY 7:30 PM EST 10/16/08					
U.S. DOLLAR							

Reference # : 5-301

Type: Buy Cusip: 01F0526A5 Symbol: BB08737A

Execution: 9/5/2008 9:22 AM

ISIN: Sedol: ADAMME

Last Update: 9/8/2008 3:29 PM

Name: FNNMA TBA 5.500 01OCT2038 FWD 14OCT2008

Status: CONFIRMED

Trade Date: 9/5/2008 Settle Date: 10/14/2008 Accrued Days: 0 Delivery Date: TBA

Broker: XLehman Brothers, USA VCT Reason: Best Execution ETS: None Pool Delivery: N

Current Face: 36,500,000 New Underwriting: 10F3: N Implied Credit: 0.00 Coupon: 5.5

Original: 36,500,000 Currency: USD Yield: 4.27

Price: 99-15 FX USD/USD: 1.0 Spread: 5.05

Factor: 1,0000000000 Settle Curr: USD OAS: F2 Return:

Commission: FX USD/USD: 1.0 Benchmark: Trd WebID:

Swap Unwind Fee: Swap Action: Unwind Fee Settle Date: Unwind Fee Currency:

Comment: Unwind Fee Settle Date: Unwind Fee Currency:

Ops Comment: cnfm in am (4); jkw email cnfm w/ stephanie 9/8

Inv. Group	Memorize	Port ID	Post To Port	Original Face	Current Face	Principal (USD)	Interest	Commission	SEC Fee	Net	Port %	IRS Effect	New Cash %
CA	FP	9W	9W	8,000,000	8,000,000.00	7,957,500.00	0.00	0.00	0.00	7,957,500.00	0.45	0.02	-0.65
CA	NIF	9W	9W	750,000	750,000.00	746,015.63	0.00	0.00	0.00	746,015.63	0.57	0.02	1.73
CA	MFI	1104W	1104W	2,500,000	2,500,000.00	2,486,718.75	0.00	0.00	0.00	2,486,718.75	0.44	0.02	14.46
CA	VCP	2439W	2439W	1,200,000	1,200,000.00	1,193,625.00	0.00	0.00	0.00	1,193,625.00	0.44	0.02	3.62
CO	NWD	1775W	1775W	1,200,000	1,200,000.00	1,193,625.00	0.00	0.00	0.00	1,193,625.00	0.66	0.03	-0.41
CY	AMF	898W	898W	3,300,000	3,300,000.00	3,282,468.75	0.00	0.00	0.00	3,282,468.75	0.29	0.01	0.46
J	CAK	1825W	1825W	1,300,000	1,300,000.00	1,293,093.75	0.00	0.00	0.00	1,293,093.75	0.47	0.02	-2.74
J	HTD	2463W	2463W	3,500,000	3,500,000.00	3,481,406.25	0.00	0.00	0.00	3,481,406.25	0.63	0.03	9.20
J	HTD	1798W	1798W	1,500,000	1,500,000.00	1,482,031.25	0.00	0.00	0.00	1,482,031.25	0.69	0.03	-0.24
JB	HFP	2109W	2109W	6,000,000	6,000,000.00	5,973,437.50	0.00	0.00	0.00	5,973,437.50	0.50	0.02	0.86
M	BKO	2374W	2374W	1,600,000	1,600,000.00	1,591,500.00	0.00	0.00	0.00	1,591,500.00	0.27	0.01	5.08
ZF	KSB	993W	993W	1,500,000	1,500,000.00	1,492,031.25	0.00	0.00	0.00	1,492,031.25	0.16	0.01	30.30
ZL	NYT	3W	3W	2,200,000	2,200,000.00	2,188,312.50	0.00	0.00	0.00	2,188,312.50	0.26	0.01	0.00
ZT	HLI	1318W	1318W	1,200,000	1,200,000.00	1,193,625.00	0.00	0.00	0.00	1,193,625.00	0.56	0.02	0.00
ZTF	PBM	2377W	2377W	1,750,000	1,750,000.00	1,740,703.13	0.00	0.00	0.00	1,740,703.13	0.29	0.01	24.64

Exhibit IV

DTC INELIGIBLE CONFIRMATION MSAM PAGE 51228
TO 73215 MORGAN STANLEY INVEST MGMT FI TRADI 01/02/09
FROM 81293 DESCRIPTION NOT FOUND ON REFTABLE
DTC BKR 2230 CHASE BANK/GREENWICH CAPITAL
B/D INT ACCT AGT INT ACCT AGT ID ROLE MKT ACCT TYPE SIDE
JJ78550 502404 93034 PRIN OTH CASH BUY
CUSIP/DES 01F0526A5 TRADE DATE 09/20/08
FNMA 30YR 5.50 TBA OCT 5.50000 10/01/38
ORDER NO: STAT: IP CONF 09/29 CONF 09/29

CONF # HGSZX8001273 FIRST INTERESTED PARTY: 00000
QTY 1,600,000
PRICE 100.312500
NET-PRICE 0.000000
PRINC 1,605,000.00
RG/SHP 0.00
INT 0.00 SECOND INTERESTED PARTY: FNM00000
TAXES 0.00
COMM 0.00
OTHER 0.00
NT AMT 1,605,000.00
CONTROL # 858813315 AFFIRM BY 7:30 PM EST 09/29/08

FORM OF NOTICE OF TERMINATION OF TBA TRADES

September 29, 2008.

Via E-Mail

Lehman Brothers Inc.
Mortgage Trading Desk
Attention: Deirdre Dunn
Jack Fondacaro
E-Mail Address: deirdre.dunn@lehman.com
jack.fondacaro@lehman.com

Hughes Hubbard & Reed LLP
Counsel for the Lehman Brothers Inc. SIPC Trustee
Attention: Maria Termini
E-Mail Address: termini@hugheshubbard.com

Morgan Stanley Investment Management Inc., on behalf of its advisory clients noted in Schedule A, has entered into to-be-announced agency mortgage pass-through trades with Lehman Brothers Inc. ("Lehman") prior to the liquidation filing of Lehman on September 19, 2008, settling in October, November or December 2008 that have not yet settled (each, a "Lehman TBA Trade").

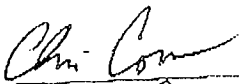
Morgan Stanley Investment Management Inc. hereby gives notice that each Lehman TBA Trade set forth in Schedule A attached hereto is hereby terminated effective today (the "Termination Date"). This notice is effective upon delivery.

If all or a portion of the Lehman TBA Trade is replaced, the termination price of the Lehman TBA Trade is the price at which the replacement trade was executed to replicate the exposure of the terminated Lehman TBA Trade. The trade date for the replacement trade is noted in Schedule A.

The gain or loss on each terminated Lehman TBA Trade shall be calculated based on the difference between the price of each terminated Lehman TBA Trade and the termination price. The completed Schedule A will set forth the gain or loss for each terminated Lehman TBA Trade.

Morgan Stanley Investment Management Inc.

Receipt acknowledged by SIPC Trustee

By: 
Name: Chris Corrado
Title: Executive Director

By: _____
Name:
Title:

Use this schedule if Market Participant has entered into replacement trades

Full Legal Name of Market Participant: Morgan Stanley Investment Management Inc., on behalf of the following advisory clients
Name of Firm: Morgan Stanley Investment Management Inc.
Today's Date: September 29, 2008

[illegible]

➤ BOK MSIM MBS

Buy	1800000	ENNA 5,5	01F0526A5	9/5/2008	1074/2008	99,46B75	Streamen Capital	1600000	ENNA 5,5	01F0526A5	9/25/2008	1074/2008	100,3125	1.005.000,00	13.500,00
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Exhibit V

CONTROL #	111020030	AFFIRM BY 7:30 PM EST 10/16/08	SPECS 8	SPECS 16
U.S. DOLLAR				
OTC INELIGIBLE CONFIRMATION				
TO	73215	MORGAN STANLEY INVEST MGMT FI TRADI	PAGE 10941	TRADE NO 0000000000
FROM	00636	LEHMAN BROTHERS INC.	01/02/09	SEC CODE 02R0506A4
OTC BKR	0636	LEHMAN BROTHERS INC.		SEC NAME
B/D INT ACCT	AGT INT ACCT AGT ID	ROLE	MKT ACCT TYPE	SIDE
1157290	502404	93034	PRIN OTH OTHER	BUY
CUSIP/DES	02R0506A4	TRADE DATE 09/04/08	SETTLEMENT 10/14/08	POOL NO
GOLD PC 30 YEAR - FRMNC	00/00/00	5.0000	T0810	MSG ID
ORDER NO:	STAT: IP	CONF 09/04	CANC 10/15	
CURR FACE	0.00000	YIELD	TERM	0
ORG TRD PAR	38000000.00	GOOD DEL NM	0	
CONF #	94F6NB0-1357	FIRST INTERESTED PARTY:	00000	
QTY	38,000,000	NO OF POOLS	0	NO OF DAYS ACCR INT 0
PRICE	96.812500	SERVICE TYPE		OPTION TYPE
NET PRICE	0.000000	INT RATE	0.00000	MATURITY DATE
PRINC	36,788,750.00	SPECS 1		SPECS 9
RG/SHF	0.00	SPECS 2		SPECS 10
INT	0.00	SPECS 3		SPECS 11
TAXES	0.00	SPECS 4		SPECS 12
CCM	0.00	SPECS 5		SPECS 13
OTHER	0.00	SPECS 6		SPECS 14
NT AMT	36,788,750.00	SPECS 7		SPECS 15
CONTROL #	111020091	AFFIRM BY 7:30 PM EST 10/15/08	SPECS 8	SPECS 16
U.S. DOLLAR				

Reference ... 990436

Type: Buy Cusip: 02R0506A4 Symbol: FLC383A Execution: 9/4/2008 10:52 AM
 ISIN: Sedol: Trader: ADAMMB Last Update: 9/4/2008 4:15 PM

Name: FHLMC TBA 5.000 01OCT2038 FWD 14OCT2008 Status: CONFIRMED

Trade Date: 9/4/2008 Settle Date: 10/14/2008 Accrued Days: 0 Delivery Date: TBA Pool Delivery: N
 Broker: Lehman Brothers, USA VCI

Current Face: 55,200,000 New Underwriting: 10F3: Reason: Best Execution ETS: None Turnover:
 Original: 55,200,000 Currency: USD Implied Credit: .00 Bank Letter: ✓
 Price: 96-26 FX USD/USD: 1.0 Yield: 5.57 IRS:
 Factor: 1.0000000000 Settle Curr: USD Spread: 6.35 Duration:
 Commission: FX USD/USD: 1.0 OAS: F2 Return:
 Swap Action: Benchmark: Trd WebID:

Swap Unwind Fee: Unwind Fee Settle Date: Unwind Fee Currency:
 Comment:

Ops Comment: tw/jkw

Inv. Group	Mnemonic	Port ID	Post To Port	Original Face	Current Face	Principal (USD)	Interest	Commission	SEC Fee	Net	Port %	IRS Effect	New Cash %
CY	FAM	2434W	2434W	2,200,000	2,200,000.00	2,129,875.00	0.00		0.00	2,129,875.00	4.21	0.23	9.00
M	BKO	2374W	2374W	38,000,000	38,000,000.00	36,786,750.00	0.00		0.00	36,786,750.00	6.30	0.35	5.10
M	TMC	2422W	2422W	15,000,000	15,000,000.00	14,521,875.00	0.00		0.00	14,521,875.00	4.32	0.24	9.56
				55,200,000	55,200,000.00	53,440,500.00	0.00	0.00	0.00	53,440,500.00			

0374W -
24,049,000 BPP

0374W -
2,129,875 replaced w/ 6.5
03,830,000 replaced w/ 3.94

TW (BRKDN) (jwitkowski-Morgan Stanley Inv.) TradeWeb W7.03NS

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Trade Account Breakdown

Security: PCGLD 30Yr 5.000 Oct Trade Date: 09/04/08 Company: Morgan Stanley Inv.
 CUSIP: 02R0506A4 Dealer: LEH Settlement: 10/14/08 Customer: Diane Madera
 Trade#: 671 Quantity: 577,168 Price: 96-26 Sent

C	B/S: BUY		Account:		(dec)		96.81250000	USD	LOOKUP	SEND	CLEAR
	unt	Short	V	Percent	QTY	Principal	Accrued		Total		Confas
25	1318W		=	1.0699	6,175	5,978,171.88			5,978,171.88	Y	
26	2109W		=	5.0072	28,900	27,978,812.50			27,978,812.50	Y	
27	1231W		=	0.3032	1,750	1,694,218.75			1,694,218.75	Y	
28	1285W		=	3.6038	20,800	20,137,000.00			20,137,000.00	Y	
29	1853W		=	1.5247	8,800	8,519,500.00			8,519,500.00	Y	
30	1975W		=	3.7222	79,200	76,675,500.00			76,675,500.00	Y	
31	3W		=	1.7326	10,000	9,681,250.00			9,681,250.00	Y	
32	2374W		=	6.5839	38,000	36,788,750.00			36,788,750.00	Y	
33	2422W		=	2.5989	15,000	14,521,875.00			14,521,875.00	Y	
34	2434W		=	0.3812	2,200	2,129,875.00			2,129,875.00	Y	
				0.0000	0						
				0.0000	0						
				0.0000	577,168	558,770,770.04			558,770,770.04		

Detail	Tran	Brkdn	Account	Msg Brkdn	PasteClipboard	3/3	Pg Up	Pg Dn
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Exhibit VI

DTC INELIGIBLE CONFIRMATION		MSAM	PAGE	11015	TRADE NO 0000000000	INTL ID 9AQ76D0	SUBTER ACCT
TO	73215	MORGAN STANLEY INVEST MGMT FI TRADI	01/02/09	SEC CODE 02R0506A4	REL REF		TRD TYPE 01
FROM	00636	LEHMAN BROTHERS INC.		SEC NAME			POSSIBLE DUP
DTC BRR 0636 LEHMAN BROTHERS INC.							
B/D INT ACCT	AGT INT ACCT	AGT ID	ROLE	MKT	ACCT TYPE	SIDE	OPT EXP DATE
1157290	502404	99034	PRIN	OTH	OTHEER	SELL	ISSUE DATE
CUSIP/DES	02R0506A4	TRADE DATE 09/10/08	SETTLEMENT 10/14/08	POOL NO		MSG ID	LOT ID
GOLD PC 30 YEAR - FHLMC 00/00/00 5.0000 T0810							
ORDER NO:	STAT: IP	CONF 09/10	CANC 10/15	CURR FACE	0.00000	YIELD	TERM 0
				ORG TRD PAR	11960000.00	GOOD DEL MM	0
CONF #	9AQ76D2-4510	FIRST INTERESTED PARTY:	00000	NO OF POOLS	0	NO OF DAYS ACCR INT	0
QTY	11,960,000			SERVICE TYPE		OPTION TYPE	
PRICE	98.968750			INT RATE	0.00000	MATURITY DATE	
NET PRICE	0.000000						
PRINC	11,836,662.50			SPECS 1		SPECS 9	
RG/SBP	0.00			SPECS 2		SPECS 10	
INT	0.00	SECOND INTERESTED PARTY: MBS00000		SPECS 3		SPECS 11	
TAXES	0.00			SPECS 4		SPECS 12	
COMM	0.00			SPECS 5		SPECS 13	
OTHER	0.00			SPECS 6		SPECS 14	
NT AMT	11,836,662.50			SPECS 7		SPECS 15	
CONTROL #	111398044	AFFIRM BY 7:30 PM EST 10/15/08		SPECS 8		SPECS 16	
U.S. DOLLAR							

Reference # : 991872

Type: Sell Cusip: 02R0506A4 Symbol: ILC3383A

ISIN: Sedol: Trader: ADAMME

Name: FHLMC TBA 5,000 01OCT2038 FWD 14OCT2008

Trade Date: 9/10/2008 Settle Date: 10/14/2008 Accrued Days: 0

Broker: Lehman Brothers, USA VCT

Execution: 9/10/2008 10:33 AM

Last Update: 9/10/2008 11:23 AM

Status: CONFIRMED

FHLMC TBA 5,000 01OCT2038 FWD 14OCT2008 TBA Delivery Date: 9/10/2008 Pool Delivery: N

Reason: Best Execution ETS: None Turnover: 5

Current Face: 15,808,000 New Underwriting: 10F3: N Implied Bad Factor: 0.00 Coupon: 5

Original: 15,808,000 Currency: USD N Credit: 0.00 IRS: 4.24

Price: 98.31 FX USD/USD: 1.0 Yield: 6.00 Duration: 6.00

Factor: 1.0000000000 Settle Curr: USD OAS: F2 Return:

Commission: FX USD/USD: 1.0 Benchmark:

Swap Unwind Fee: Swap Action: Trd WebID:

Unwind Fee Settle Date: Unwind Fee Currency:

Comment:

Ops Comment: tw-mtm

Inv. Group	Mnemonic	Port ID	Post To Port	Original Face	Current Face	Principal (USD)	Interest	Commission	SEC Fee	Net	Port %	IRS Effect	New Cash %
M	UB	1231W	1231W	1,346,000	1,346,000.00	1,332,119.36	0.00	0.00	0.00	1,332,119.36	1.99	-0.08	1.99
M	FST	1853W	1853W	2,502,000	2,502,000.00	2,476,198.13	0.00	0.00	0.00	2,476,198.13	1.99	-0.08	2.08
M	BKO	2374W	2374W	11,960,000	11,960,000.00	11,836,662.50	0.00	0.00	0.00	11,836,662.50	1.99	-0.08	5.01
				15,808,000	15,808,000.00	15,644,980.01	0.00	0.00	0.00	15,644,980.01			

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Trade Account Breakdown

Company: Morgan Stanley Inv.

Customer: Adam Metzger

Quantity: 102,358

Price: 98-31

Sent

C B/S: SELL, Account:

(dec)	98.96875000	USD
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[illegible]

Detail	Tran	Brkdn	Account	Msg Brkdn	PasteClipboard	1/1	Pg Up	Pg Dn
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Up
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Dn

EXHIBIT VII

FORM OF NOTICE OF TERMINATION OF TBA TRADES

September 29, 2008

Via E-Mail

Lehman Brothers Inc.
Mortgage Trading Desk
Attention: Deirdre Dunn
Jack Fondacaro
E-Mail Address: deirdre.dunn@lehman.com
jack.fondacaro@lehman.com

Hughes Hubbard & Reed LLP
Counsel for the Lehman Brothers Inc. SIPC Trustee
Attention: Maria Termini
E-Mail Address: termini@hugheshubbard.com

Morgan Stanley Investment Management Inc., on behalf of its advisory clients noted in Schedule A, has entered into to-be-announced agency mortgage pass-through trades with Lehman Brothers Inc. ("Lehman") prior to the liquidation filing of Lehman on September 19, 2008, settling in October, November or December 2008 that have not yet settled (each, a "Lehman TBA Trade").

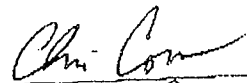
Morgan Stanley Investment Management Inc. hereby gives notice that each Lehman TBA Trade set forth in Schedule A attached hereto is hereby terminated effective today (the "Termination Date"). This notice is effective upon delivery.

If all or a portion of the Lehman TBA Trade is replaced, the termination price of the Lehman TBA Trade is the price at which the replacement trade was executed to replicate the exposure of the terminated Lehman TBA Trade. The trade date for the replacement trade is noted in Schedule A.

The gain or loss on each terminated Lehman TBA Trade shall be calculated based on the difference between the price of each terminated Lehman TBA Trade and the termination price. The completed Schedule A will set forth the gain or loss for each terminated Lehman TBA Trade.

Morgan Stanley Investment Management Inc.

Receipt acknowledged by SIPC Trustee

By: 
Name: Chris Corrado
Title: Executive Director

By: _____
Name:
Title:

Use this schedule if Market Participant has entered into replacement trades.

September 29, 2008

[illegible]

Portfolio Name	Order Type	Original Face	Issue	TBA CUSIP	Trade Date	Settlement Date	Trade Price	Principal (Price x Current Face)	Country	Original Face	Issue	TBA CUSIP	Trade Date	Settlement Date	Trade Price	Principal (Price x Current Face)	Country	Original Face	Issue	TBA CUSIP	Trade Date	Settlement Date	Trade Price	Principal (Price x Current Face)	Country
BOK MSIM MBS	Buy	2210000	FHLMC 5	02R0506A4	9/26/2006	10/14/2006	98.8125	2,138,556.25 (USA)	United States	2210000	FHLMC 5	02R0506A4	9/26/2006	10/14/2006	98.8125	2,166,490.53	United States	2210000	FHLMC 5	02R0506A4	9/26/2006	10/14/2006	98.8125	2,166,490.53	United States

BOK MSIM MBS	Buy	2200000	FHLMC 6	02R0606A3	9/26/2006	10/14/2006	100.886625	2,219,593.75	JP Morgan Securities, Inc	2200000	FHLMC 6	02R0606A3	9/26/2006	10/14/2006	101.625	2,235,750.00	-16,156.25
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CONTROL # 569394252 AFFIRM BY 7:30 PM EST 10/09/08 U.S. DOLLAR

BRSA (#2260) A/C# 189354 C/O MOR THERS OTW CHASE MANHATTAN BANK
 GAN STANLEY INVESTMENT ONE TOWER FOR SETTLEMENT 10/14/08
 BRIDGE 100 FRONT STREET, 11TH F
 L 0901DTC ELIG. SECS. ONLY ALL 0

DTC INELIGIBLE CONFIRMATION		MSAM	PAGE	11023	TRADE NO	INTL ID	SUBTER ACCT
TO	73215	MORGAN STANLEY INVEST MONT FI TRADI	01/02/05	SEC CODE	REL REF	TRD TYPE 01	POSSIBLE DUP
FROM	00005	GOLDMAN SACHS AND COMPANY		SEC NAME			
DTC BKR 2681 BNY/ITC-DEALERS CLEARANCE GENERAL							
B/D INT ACCT	AGT INT ACCT	AGT ID	ROLE	MTT	ACCT TYPE	SIDE	OPT EXP DATE
001658574	502404	93034	PRIM	OTC	CASH	BUY	ISSUE DATE 20081001
CUSIP/DES	02R0506A4	TRADE DATE 09/26/08	SETTLEMENT 10/14/08	POOL NO	MSG ID	DEL DATE 20081014	EFF DATE 20080926
TBA PHILX 30-Yr GOLD (A0-A9,B2C8,D0-D8)							
ORDER NO:	STAT: IP	CONF 09/26 CASH 10/09	CURR FACE	2,210,000.00000	YIELD	TERM	0
			ORG TRD PAR	2210000.00	GOOD DEL MT		0
CONF #	092602374401	FIRST INTERESTED PARTY:	00000	NO OF POOLS	0	NO OF DAYS ACCR INT	0
QTY	2,210,000			SERVICE TYPE		OPTION TYPE	
PRICE	98.031250			INT RATE	0.00000	MATURITY DATE	
NET PRICE	98.031250						
PRINC	2,166,490.62			SPECS 1		SPECS 9	
RG/SHE	0.00			SPECS 2		SPECS 10	
INT	0.00	SECOND INTERESTED PARTY:	A5500000	SPECS 3		SPECS 11	
TAXES	0.00			SPECS 4		SPECS 12	
COMB	0.00			SPECS 5		SPECS 13	
OTHER	0.00			SPECS 6		SPECS 14	
INT AMT	2,166,490.62			SPECS 7		SPECS 15	
CONTROL #	594699675	AFFIRM BY 7:30 PM EST 10/09/08		SPECS 8		SPECS 16	
U.S. DOLLAR							

EXHIBIT VIII

FORM OF NOTICE OF TERMINATION OF TBA TRADES

September 29, 2008.

Via E-Mail

Lehman Brothers Inc.
Mortgage Trading Desk
Attention: Deirdre Dunn
Jack Fondacaro
E-Mail Address: deirdre.dunn@lehman.com
jack.fondacaro@lehman.com

Hughes Hubbard & Reed LLP
Counsel for the Lehman Brothers Inc. SIPC Trustee
Attention: Maria Termini
E-Mail Address: termini@hugheshubbard.com

Morgan Stanley Investment Management Inc., on behalf of its advisory clients noted in Schedule A, has entered into to-be-announced agency mortgage pass-through trades with Lehman Brothers Inc. ("Lehman") prior to the liquidation filing of Lehman on September 19, 2008, settling in October, November or December 2008 that have not yet settled (each, a "Lehman TBA Trade").

Morgan Stanley Investment Management Inc. hereby gives notice that each Lehman TBA Trade set forth in Schedule A attached hereto is hereby terminated effective today (the "Termination Date"). This notice is effective upon delivery.

If all or a portion of the Lehman TBA Trade is replaced, the termination price of the Lehman TBA Trade is the price at which the replacement trade was executed to replicate the exposure of the terminated Lehman TBA Trade. The trade date for the replacement trade is noted in Schedule A.

The gain or loss on each terminated Lehman TBA Trade shall be calculated based on the difference between the price of each terminated Lehman TBA Trade and the termination price. The completed Schedule A will set forth the gain or loss for each terminated Lehman TBA Trade.

Morgan Stanley Investment Management Inc.

Receipt acknowledged by SIPC Trustee

By:

Name: Chris Corrad
Title: Executive Director

By: _____

Name: _____

Title: _____

Use this schedule if Market Participant has entered into replacement trades.

September 29, 2008

[illegible]

Portfolio Name	Of Hand Participated Buy or Sell?	Original Face	Issue	ISA CUSIP	Trade Date	Settlement Date	Trade Price	Principal (Price x Current Face)	Counterparty	Original Face	Issue	ISA CUSIP	Trade Date	Settlement Date	Trade Price	Principal (Price x Current Face)	Counterparty	Gain (or Loss) Excluded to Participant
BOK MSIM MBS	Buy	2210000	FHLAC 5	02R0506A4	9/26/2008	10/14/2008	96.8125	2,138,526.25 (USA)	Morgan Securities LLC	2210000	FHLAC 5	02R0506A4	9/26/2008	10/14/2008	98.03125	2,168,490.63	-29,964.3	

BOK MSIM MBS	Buy	2200000	FHLAC 6	02R0506A3	9/23/2008	10/14/2008	100.690625	2,219,593.75	Morgan Securities, Inc	2200000	FHLAC 6	02R0506A3	9/26/2008	10/14/2008	101.625	2,235,750.00	-16,156.25	
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DTC INELIGIBLE CONFIRMATION MSAM PAGE 51229
TO 73215 MORGAN STANLEY INVEST MGMT FI TRADI 01/02/09
FROM 80218 WS CLEARING INC.
DTC BKR 0187 JP MORGAN SECURITIES INC.
B/D INT ACCT AGT INT ACCT AGT ID ROLE MKT ACCT TYPE SIDE
559527 502404 93034 PRIN OTH CASH BUY
CUSIP/DES 02R0506A4 TRADE DATE 09/26/08 SETTLEMENT 10/14/08
FGCL 5 OCT 08 TBA
ORDER NO: STAT: IP CONF 09/30 CONF 09/30

CONF # T093036530-0 FIRST INTERESTED PARTY: 00000
QTY 23,830,000
PRICE 98.031250
NET PRICE 98.031250
PRINC 23,360,846.88
RG/SHP 0.00
INT 0.00 SECOND INTERESTED PARTY: GDS00000
TAXES 0.00
COMM 0.00
OTHER 0.00
NT AMT 23,360,846.88
CONTROL # 470491063 AFFIRM BY 7:30 PM EST 09/30/08
U.S. DOLLAR

EXHIBIT IX

DTC INELIGIBLE CONFIRMATION MSAM PAGE 5767 TRADE NO 0000000000 INTL ID 9910002 SUBTER ACCT
 TO 73215 MORGAN STANLEY INVEST MGMT FI TRADI 12/05/08 SEC CODE 01F052698 REL REF TRD TYPE 12
 FROM 00636 LEHMAN BROTHERS INC. SEC NAME POSSIBLE DUP
 DTC BKR 0636 LEHMAN BROTHERS INC.
 B/D INT ACCT AGT INT ACCT AGT ID ROLE MKT ACCT TYPE SIDE OPT EXP DATE REC DATE EFF DATE 20080801
 1157290 502404 93U34 FRIN OTH OTHER SELL ISSUE DATE DEL DATE 20080924 EFF TIME
 CUSIP/DES 31415WCV3 TRADE DATE 09/05/08 SETTLEMENT 09/11/08 POOL NO 0991184 MSG ID LOT ID 001.00
 05.500PMS380901BE#MBS FIXED RATE
 ORDER NO: STAT: IF CORR 09/19 CURR FACE 483,056.00000 YIELD TERM 0
 ORG TRD PAR 483056.00 GOOD DEL MM 0
 CONF # 9910002-3463 FIRST INTERESTED PARTY: 00000 NO OF POOLS 0 NO OF DAYS ACCR INT 1D
 QTY 483,056 SERVICE TYPE OPTION TYPE
 PRICE 99.714843 INT RATE 0.00000 MATURITY DATE
 NET PRICE 0.000000
 PRINC 481,678.54 SPECS 1 . SPECS 9
 RG/SHP 0.00 SPECS 2 SPECS 10
 INT 7.38 SECOND INTERESTED PARTY: MBS00000 SPECS 3 SPECS 11
 TAXES 0.00 SPECS 4 SPECS 12
 COMM 0.00 SPECS 5 SPECS 13
 OTHER 0.00 SPECS 6 SPECS 14
 NT AMT 482,416.54 SPECS 7 SPECS 15
 CONTROL # 652688632 AFFIRM BY 7:30 PM EST 09/19/08 SPECS 8 SPECS 16
 U.S. DOLLAR
 021000018
 BK OF NYC/
 CUST/
 502404

Trade History Report

1/20/2009

TRADE DATE = 'Sep 05 2008' AND TRADE SETTLE DATE = 'Sep 11 2008' AND BROKER ID = Page 103 of 125
 AND TRANSACTION TYPE = Sell AND TRADE STATUS IN (CANCELLED,
 NCEL/CORRECT, CONFIRMED) AND CLIENT IN (Van Kampen Core Plus, Mass Mutual
 Targeted Duration Mortgage, BOK MSIM MBS, Nationwide, Hartford C4K, Hartford-C4C, MSIF

Tran Type: Sell	CONFIRMED
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Issuer: FNMA	Cusip: 31415WCV3	Symbol: VHA6408A
	Sedol:	ISIN:
Asset Type: Bond	Tranche/Pool: 991184	Factor: 1.00000000
Maturity: 9/1/2038	Coupon: 5.5	YTM: 0.00
Trade Dt.: 9/5/2008	Settle Date: 9/11/2008	Price: 99.71484375
Spread:	Benchmark:	Commission Rate: 0.00000
Trader: EPN	Broker: xLehman Brothers, USA VCT	
ETS:	New Underwriting: <input type="checkbox"/> 10F3: <input type="checkbox"/>	Implied Credit:
Comment:		

Portfolio	Post To Port	Orig. Face	Bonds	Accrued	Principal	Comsn	SEC fee	Net Port%	IRS	Dur
2374W	2374W	483,056	483,056.00	738.00	481,678.54	0.00		482,416.54	0.08	
		483,056	483,056.00	738.00	481,678.54	0.00	0.00	482,416.54		

EXHIBIT X

NOTICE OF TERMINATION OF OUTSTANDING SPECIFIED TRADES

October 15, 2008 (Date of Submission of this Form)

October 15, 2008 (Date of Termination)

Via E-Mail

Lehman Brothers Inc.
Mortgage Trading Desk
Attention: Deirdre Dunn
Jack Fondacaro
E-Mail Address: deirdre.dunn@lehman.com
jack.fondacaro@lehman.com

Hughes Hubbard & Reed LLP
Counsel for the Lehman Brothers Inc. SIPC Trustee
Attention: Maria Termini
E-Mail Address: termini@hugheshubbard.com

Morgan Stanley Investment Management Inc., on behalf of its advisory clients noted in Schedule B, has entered into agency mortgage pass-through trades with Lehman Brothers Inc. ("Lehman") prior to the liquidation filing of Lehman on September 19, 2008, settling in September 2008 that have failed to deliver (each, a "Lehman Specified Trade").

Morgan Stanley Investment Management Inc. hereby gives notice that each Lehman Specified Trade set forth in Schedule B attached hereto is hereby terminated (the "Termination Date"). This notice is effective as of the Termination Date.

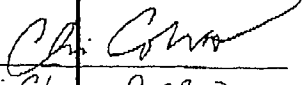
If the Specified Trade was terminated on or after September 30, 2008, then the date that the notice is submitted shall be the termination date.

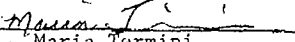
A completed Schedule B including the information on the replacement trades (which were replaced after September 30) will be submitted within ten (10) business days of the Submission of this Form.

The gain or loss on each terminated Lehman Specified Trade shall be calculated based on the difference between the price of each terminated Lehman Specified Trade and the termination price. The completed Schedule B will set forth the gain or loss for each terminated Lehman Trade.

Morgan Stanley Investment Management Inc.

Receipt acknowledged by SIPC Trustee

By: 
Name: Chris Conrad
Title: Executive Director

By: 
Name: Maria Termini
Title: Counsel to James W. Giddens,
Trustee for the SIPC Liquidation of
Lehman Brothers Inc.

Use this schedule if Market Participant has entered into replacement trades after September 30th.

Morgan Stanley Investment Management Inc., on behalf of our advisory clients
Morgan Stanley Investment Management Inc.
Originally submitted 10/15/08, completed with replacement trade details 10/24/08

Information Regarding Lehman Outstanding Specified Pool Trades to be Terminated										Information Regarding Replacement Trades and Gain (or Loss)										
										September 30 Received/Owed										
Original Account	Original Trade	Original Contract	Original Quantity	Original Price	Original Value	Original Settlement	Original Margin	Original Status	Original Comments	Replacement Account	Replacement Trade	Replacement Contract	Replacement Quantity	Replacement Price	Replacement Value	Replacement Settlement	Replacement Margin	Replacement Status	Replacement Comments	
483,056 FINMA	31415WCV3	89/2008	99172008	89,71484375	481.67854	738.00	483,056	216.54	3,372.89	1,476.01	Gedrona S&P	483,056 FINMA	31415WCV3	10/15/2008	10/20/2008	98,203.75	471,083.80	1,392.41	47,448.27	1,392.41

DTC INELIGIBLE CONFIRMATION MSAM PAGE 11107 TRADE NO INTL ID SUBTER ACCT
 TO 73215 MORGAN STANLEY INVEST MGMT FI TRADI 01/02/09 SEC CODE REL REP TRD TYPE 12
 FROM 00005 GOLDMAN SACHS AND COMPANY SEC NAME POSSIBLE DUP
 DTC BKR 2681 BNY/ITC-DEALERS CLEARANCE GENERAL
 B/D INT ACCT AGT INT ACCT AGT ID ROLE MKT ACCT TYPE SIDE OPT EXP DATE REC DATE EFF DATE 20081001
 001658574 502404 93034 PRIN OTC CASH SELL ISSUE DATE 20080901 DEL DATE 20081020 EFN TIME
 CUSIP/DES 31415WCV3 TRADE DATE 10/15/08 SETTLEMENT 10/20/08 POOL NO MSG ID LOT ID
 05.500FMS380901BEMBS FIXED RATE
 ORDER NO: STAT: IP CONF 10/15
 CURR FACE 479,683.11000 YIELD TERM 0
 ORG TRD PAR 493056.00 GOOD DEL M4 0
 CONF # 101562852702 FIRST INTERESTED PARTY: 00000 NO OF POOLS 0 NO OF DAYS ACCR INT 0
 QTY 483,056 SERVICE TYPE OPTION TYPE
 PRICE 98.203125 INT RATE 0.00000 MATURITY DATE
 NET PRICE 98.203125
 PRINC 471,063.80 SPECS 1 . SPECS 9
 RG/SHP 0.00 SPECS 2 SPECS 10
 INT 13.92 SECOND INTERESTED PARTY: MBS00000 SPECS 3 SPECS 11
 TAXES 0.00 SPECS 4 SPECS 12
 COMM 0.00 SPECS 5 SPECS 13
 OTHER 0.00 SPECS 6 SPECS 14
 NT AMT 472,456.22 SPECS 7 SPECS 15
 CONTROL # 421036916 AFFIRM BY 7:30 PM EST 10/15/08 SPECS 8 SPECS 16
 U.S. DOLLAR
 #2374W- BOK MSIM MBS A/C# 502404 NHATTAN BANK DTD 9 1 8 DEL 1
 C/O MORGAN STANLEY INVESTMENT D 0 20 8
 NE TOWER BRIDGE 0901DTC ELIG. SE
 CS. ONLY ALL OTHERS OTW CHASE MA

Trade History Report

1/20/2009

TRADE DATE = 'Oct 15 2008' AND TRADE SETTLE DATE = 'Oct 20 2008' AND TRANSACTION
 'E' = Sell AND TRADE STATUS IN (CANCELLED, CANCEL/CORRECT, CONFIRMED)

Page 26 of 26

Tran Type: Sell CONFIRMED		
Issuer: FNMA	Cusip: 31415WCV3	Symbol: VHA6408A
STP S/T: 10/15/08 17:55	Sedol:	ISIN: US31415WCV37
Asset Type: Bond	Tranche/Pool: 991184	Factor: 0.99301761
Maturity: 9/1/2038	Coupon: 5.5	YTM:
Trade Dt.: 10/15/2008	Settle Date: 10/20/2008	Price: 98-06 1/2
Spread:	Benchmark:	Commission Rate:
Trader: ADAMME	Broker: Goldman Sachs & Co. (USA) GSH	
ETS: None	New Underwriting: <input type="checkbox"/> 10F3: <input type="checkbox"/>	Implied Credit: 0
Comment:		

Portfolio	Post To Port	Orig. Face	Bonds	Accrued	Principal	Comsn	SEC fee	Net	Port%	IRS	Dur
9W	9W	165,839	164,681.05	478.03	161,721.93		0.00	162,199.97	0.01	-0.00	0.00
1625W	1625W	44,218	43,909.25	127.46	43,120.26		0.00	43,247.72	0.02	-0.00	0.00
2374W	2374W	483,056	479,683.11	1,392.41	471,063.81		0.00	472,456.21	0.08	-0.00	0.00
2418W	2418W	1,512,789	1,502,226.12	4,360.63	1,475,232.99		0.00	1,479,593.62	0.08	-0.00	0.00
2439W	2439W	200,000	198,603.52	576.50	195,034.86		0.00	195,611.36	0.08	-0.00	0.00
		2,405,902	2,389,103.05	6,935.03	2,346,173.85	0.00	0.00	2,353,108.88			

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EXHIBIT B

2374W

James W. Giddens
Trustee for the SIPA Liquidation of Lehman Brothers Inc.
c/o Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017

***In re* Lehman Brothers Inc.**

Case No. 08-01420 (JMP) SIPA

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

December 10, 2009

VIA UPS OVERNIGHT

THE BANK OF KOREA
DAVID BRECK
MORGAN STANLEY INVESTMENT MANAGEMENT
ONE TOWER BRIDGE – 100 FRONT STREET, SUITE 400
WEST CONSHOHOCKEN, PA 19428

Re: Claim Number(s): 800003106
Account Number(s): 1157290

Dear Claimant:

PLEASE READ THIS NOTICE CAREFULLY

The liquidation of the business of Lehman Brothers Inc. ("LBI") is being conducted by James W. Giddens, Trustee (the "Trustee") under the Securities Investor Protection Act of 1970, as amended ("SIPA") pursuant to an order entered on September 19, 2008 by the United States District Court for the Southern District of New York. You have submitted the above-referenced claim(s) (the "Claim") as a customer claim in this proceeding. This Notice is applicable only to the claim(s) and/or accounts identified above. If you filed other claims, additional notices will be issued.

The Trustee has made the following determination regarding your Claim:

Your claim for customer treatment of cash and/or securities under the SIPA is DENIED. The cash and/or securities that you claimed are not customer property pursuant to SIPA. As such, your claim is not entitled to treatment as a customer claim eligible to share from the fund of customer property or SIPA cash advances.

Although the Trustee has denied your claim for customer treatment under SIPA, he is converting your claim to a general creditor claim on the Debtor's estate, similar to a claim in an ordinary bankruptcy case. No determination is being made as to the validity or allowed amount of the claim at this time. After the determination of customer claims, the Trustee will address all general creditor claims and you will receive a further notification as to the Trustee's determination of your general creditor claim.

With respect to the determination of your claim as a general creditor claim, you do not need to take any further action at this time. The Trustee will send you a further notification once he has made a determination of your claim as a general creditor claim.

PLEASE TAKE NOTICE: If you disagree with the determination that your claim is Denied as a customer claim and desire a hearing before Bankruptcy Judge James M. Peck, you **MUST** file your written opposition, setting forth (i) the claim number; (ii) a detailed statement of the reasons for your objection to the Trustee's determination; (iii) copies of any document or other writing upon which you rely; and (iv) mailing, phone, and email contact information, with the United States Bankruptcy Court and the Trustee within **THIRTY DAYS** of the date of this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must file your opposition in accordance with the above procedure electronically with the Court on the docket of *In re* Lehman Brothers Inc., Case No. 08-01420 (JMP) SIPA in accordance with General Order M-242 (available at www.nysb.uscourts.gov/orders/orders2.html) by registered users of the Court's case filing system and by all other parties in interest on a 3.5 inch disk, preferably in Portable Document Format (PDF), Microsoft Word or any other Windows-based word processing format.

If you do not have means to file your opposition electronically, you may mail your opposition to:

Clerk of the United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, New York 10004

PLEASE TAKE FURTHER NOTICE: You must serve your opposition upon the Trustee's counsel by mailing a copy to:

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
Attn: LBI Hearing Request

Attorneys for James W. Giddens, Trustee for
the SIPA Liquidation of Lehman Brothers Inc.

Very Truly Yours,

James W. Giddens
Trustee for the SIPA Liquidation of
Lehman Brothers Inc.